



Engelhard Corp
101 Wood Avenue
Iselin, NJ 08830-
732 205-5000

July 13, 2006

Chairman Charles Grassley
Ranking Member Max Baucus
U.S. Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

VIA Electronic Mail

Re: MTB Comments and Objections

S. 2730, Pigment Yellow 175
S. 2733, Pigment Yellow 154
S. 2739, Pigment Yellow 214
S. 2740, Pigment Yellow 180

Dear Sirs:

I am writing to inform the Finance Committee that Engelhard Corporation, whose pigment-producing operations include our primary manufacturing site in Louisville, KY, is objecting to duty suspensions for the four pigments listed above. Engelhard is a domestic producer of pigments that compete for the same customers, in the same marketplace with the same end-uses as the pigment proposed for duty waivers. If Congress were to grant duty suspensions for these four pigment, it would provide foreign producers with an unfair competitive advantage and greatly harm Engelhard's business in Louisville and our employees.

I have attached a copy of correspondence to the Chairman and Ranking Member from the U.S. Department of Commerce outlining its findings that there is domestic competition for three of the four pigments we are objecting to: S. 2730; S. 2739 and S. 2740. In addition, our objection to S. 2733 is based on the fact that this pigment is purchased by the same customers for the same end-use as a pigment produced at the Louisville facility. Engelhard has invested more than \$13 million over the last five years to develop and produce pigments that compete successfully against those produced overseas. To grant a special price advantage to a foreign competitor would undermine Engelhard's investment and ability to maintain its domestic production.



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Page Two

We have outlined in detail these facts to the Commerce Department and the Finance Committee staff, and would be pleased to do so again should there be issues you wish to discuss. Please feel free to contact me at (732) 205-5000.

Thank you for your attention to this very important matter.

Sincerely,

A handwritten signature in cursive script that reads "Roland J. Valin".

Roland J. Valin
Manager, Sales & Technical Marketing
Appearance and Performance Technologies

cc: Sen. Mitch McConnell
Sen. Jim Bunning

attachments



**GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE**
Washington, D.C. 20230

December 20, 2004

The Honorable Charles E. Grassley
Chairman, Committee on Finance
United States Senate
Washington, D.C. 20510-6200

Dear Mr. Chairman:

Enclosed is a matrix that includes the Administration's positions regarding a number of miscellaneous tariff bills that were added in conference to H.R. 1047, the "Miscellaneous Trade and Technical Corrections Act of 2004." This legislation was signed into law by the President on December 3, 2004, (Public Law No.108-429). We are providing these views at the request of your staff.

The Office of Management and Budget advises that there is no objection to the submission of this report to the Congress from the standpoint of the Administration's program.

Sincerely,

A handwritten signature in cursive script that reads "Jane T. Dana".

Jane T. Dana
Acting General Counsel

Enclosure

cc: The Honorable Max Baucus
The Honorable Craig Thomas

The Honorable William M. Thomas
The Honorable Charles B. Rangel

Administration Positions on Pigment Dye Duty Suspension Provisions Considered for the Miscellaneous Trade and Technical Corrections Act of 2004 (HR 1047)

H.R. 1047 Section	108th Bill Number	Pigment Dye Name	DOC Position	Comments
1454	HR 4535	Pigment Red 208	No objection	
1452	HR 4537	Pigment Yellow 154	No objection	
1453	HR 4536	Pigment Yellow 175	Oppose	There is domestic production of a competing product.
1456	HR 4541	Pigment Red 185	Oppose	There is domestic production of a competing product.
1455	HR 4542	Pigment Red 187	Oppose	There is domestic production of a competing product.
1439*	HR 4534	Pigment Red 176	No objection	
1441*	HR 4538	Pigment Yellow 180	Oppose	There is domestic production of a competing product.
1440*	HR 4539	Pigment Yellow 214	Oppose	There is domestic production of a competing product.

* Listed only in table of contents of H.R. 1047.